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OSD(HA), TMA eBPS

Highlights

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HIPAA — Claims and Related Transactions

TRICARE Management Activity, Electronic Business Policy & Standards

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

Overview

The Department of Defense (DoD) Military Health System (MHS), including the TRICARE health plan, is both a health plan, or payer of health services, and a provider of health services. As such, DoD must comply with the requirements for two covered entities (health plans and providers). As the TRICARE health plan, some health plan administrative functions are performed within DoD such as the Military Medical Support Office (MMSO), while other functions are performed by the Managed Care Support Contractors (MCSCs). As a provider, DoD provides health services directly through the Military Treatment Facilities (MTFs), pharmacies, and dental clinics, and also contracts for some health services through regional networks of providers and pharmacies. DoD also contracts with a mail-order pharmacy provider, and dental service contractors.

TRICARE Health Plan Perspective

Claims Processing

Most TRICARE claims, including coordination of benefit claims (COB), are processed by the MCSC claims processing subcontractors. The MCSC claims processors receive claims today both electronically and on paper. DoD is requiring the MCSCs, through a contract modification, to develop the capability to accept claims in the HIPAA-compliant format, X12 837. They are all making progress on developing that capability, and will have it fully implemented not later than October 16, 2003. After October 16, 2003, they will no longer accept the current electronic format.

Some TRICARE claims are processed by MMSO, especially dental claims for active duty Service members, and claims from Veterans Administration (VA) facilities. MMSO uses the Claims Processing System II (CPS II) to process claims, and today all claims received by MMSO are on paper. MMSO is working to develop the ability to accept electronic claims, using the HIPAA standard X12 837 format. This capability will be fully operational not later than October 16, 2003.

Payment/Remittance Advice

Both the MCSC claims processors and MMSO are developing the ability to send claims payments and remittance advice using the HIPAA electronic standard X12 835 transaction. This is a new transaction for both the MCSCs and MMSO. This capability will be fully operational not later than October 16, 2003.



MHS Provider Perspective

Claims Submissions

MTFs and dental clinics submit claims to third party payers for beneficiaries who have other health insurance. Today some of those claims are submitted electronically using the Third Party Outpatient Collection System (TPOCS), and some are submitted on paper. Those submitted electronically are sent through a clearinghouse. DOD is making changes to TPOCS so that claims can be submitted electronically using the HIPAA standard X12 837 transaction. This new capability should allow the MTFs to submit more claims electronically. Some changes are also being made to the Composite Health Care System (CHCS) to capture some additional data elements needed for the new claims format. For the near future, only outpatient claims will be submitted electronically. Eventually TPOCS will be replaced by a new Patient Accounting System (PAS), which will have the capability to submit inpatient claims and possibly dental claims electronically, as well.

Payment/Remittance Advice

For the time being, MTFs will continue to receive paper claims payments and remittance advice. With the implementation of PAS, the capability to accept electronic payments and remittance advice may become available. When it is implemented, the HIPAA electronic standard X12 835 will be used.

Claims Status Request & Response

For the time being, MTFs will not have the ability to electronically send a claim status request to a third party payer. That capability may be implemented with PAS in the future. If it is, then the HIPAA standard X12 276/277 will be used.